



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

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March 2026

AR/PA/COSTECH/2024/25

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap. 418.

NAOT Vision, Mission & Motto



Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.



Mission

To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.



Motto

Modernizing External Audit for Stronger Public Confidence



Core Values



Independence and Objectivity: We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.



Professional competence: We deliver high quality audit services based on appropriate professional knowledge, skills, and best practices.



Integrity: We observe and maintain high ethical standards and rules of law in the delivery of audit services.



Creativity and Innovation: We encourage, create and innovate value-adding ideas for the improvement of audit services.



Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Team Work Spirit: We value and work together with internal and external stakeholders.

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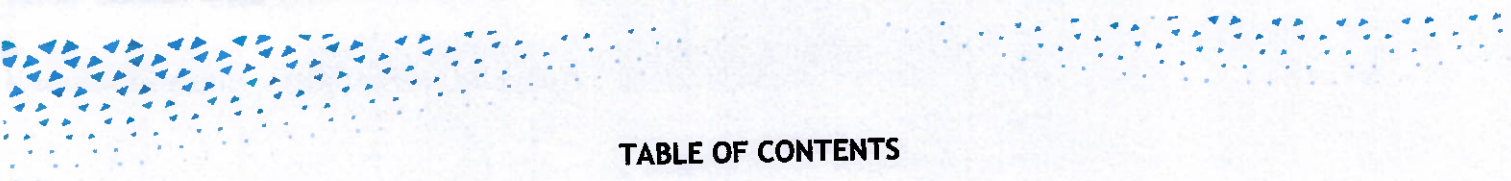


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Abbreviations

ACPA	Associate Certified Public Accountants
CAG	Controller and Auditor General
COSTECH	Tanzania Commission of Science and Technology European and Developing Countries Clinical Trials Partnership
EDCTP	Partnership
FOREX	Foreign Exchange
FPAC	Finance, Planning and Administration Committee
HDIF	Human Development Innovation Fund
HEET	Higher Education for Economic Transformation
HERIN	Higher Education and Research Institution Network
IDRC	International Development Research Centre
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
M&E	Monitoring and Evaluation
MAKISATU	Mashindano ya Kitaifa Ya Sayansi Teknolojia na Ubunifu
NBAA	National Board of Accountants and Auditors National Fund for Advancement of Science and Technology
NFAST	Technology
NHIF	National Health Insurance Fund
OC	Other Charges
OFAB	Open Forum on Agricultural Biotechnology
PSSSF	Public Sector Social Security Fund
R & D	Research and Development
R&D	Research and Development
SAIS	Southern Africa Innovation Support Programme Swedish International Development Cooperation Agency
SIDA	Agency
TRA	Tanzania Revenue Authority
UDSM	University of Dar es Salaam
UNDP	United Nations Development Programme
URT	United Republic of Tanzania

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Commission,
Tanzania Commission for Science and Technology (COSTECH),
P.O. Box 4302
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Commission for Science and Technology (COSTECH), which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Tanzania Commission for Science and Technology (COSTECH) as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting, as issued by the International Public Sector Accounting Standards Board (IPSASB) and in the manner required by the Public Finance Act, Cap. 348.

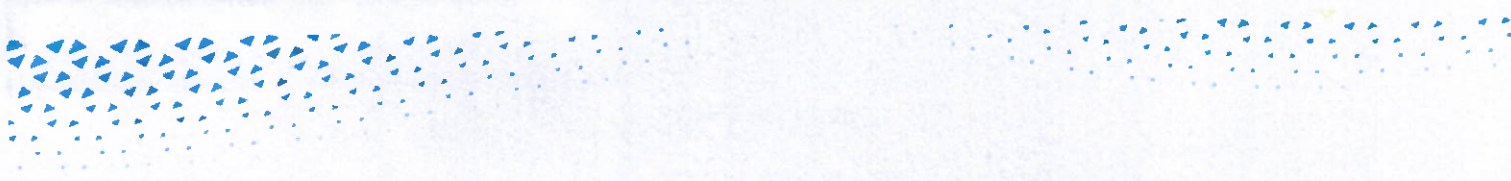
Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania Commission for Science and Technology (COSTECH) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.



Other Information

Management is responsible for the other information. The other information comprises the Report by Those Charged with Governance, statement of management responsibility and Declaration by the Head of Finance, but does not include the financial statements and my audit report thereon, which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

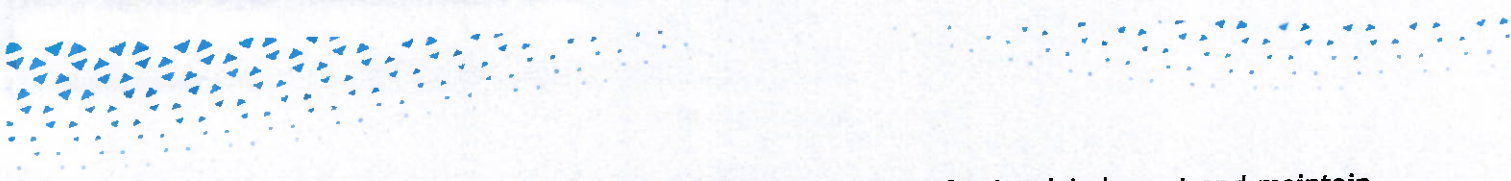
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods, and services

I conducted a compliance audit of the procurement of works, goods and services at Tanzania Commission for Science and Technology (COSTECH) for the year ended 30 June 2025 as per the Public Procurement Act, 2023 the Public Procurement Regulations, 2024 and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude Tanzania Commission for Science and Technology (COSTECH) complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

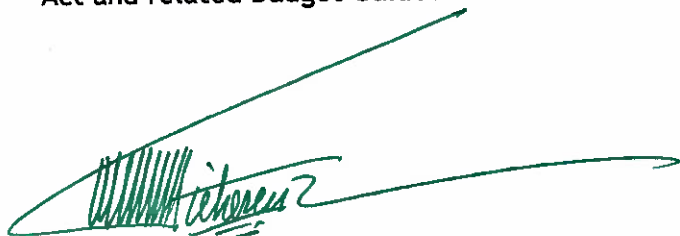
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit of budget formulation and execution at Tanzania Commission for Science and Technology (COSTECH) for the year ended 30 June 2025 as per the Budget Act, Cap. 439, and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that Tanzania Commission for Science and Technology (COSTECH) complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2026



3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

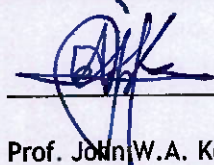
Tanzania Commission for Science and Technology Act, No. 7 of 1986 (Revised) require the Commission to prepare proper books of accounts at the end of each financial year, which show a true and fair view of the state of affairs and the results of the operations of COSTECH. In addition, Sect. 30(4) of the Public Finance Act. Cap. 348, requires management to prepare Financial Statements of each reporting period which gives a true and fair view of Statement of Financial Performance, Statement of Financial position, Cash flow statement, Statement of Changes in equity, Statement of Comparison of Budget against Actual of the reporting entity as at the end of the financial year.

The Commission confirms that suitable policies that are in conformity with International Public-Sector Accounting Standards (IPSAS) have been used and applied consistently transitional provision and reasonable and prudent judgments and estimates have been made in the preparation of COSTECH's financial statements for the year ended 30 June 2025. The Board is also responsible for safeguarding the assets of COSTECH and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Commission further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement. To enable the Board to meet these responsibilities they set standards for internal controls aimed at reducing the risk of errors or loss in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of Risk. Procurement of goods, works, consultancy, and non- consultancy services that are reflected in these financial statements have been done in accordance with the Public Procurement Act Cap 410 and its Regulations of 2024.

Further, the Commission is of the opinion that the financial statements give a true and fair view of the state of financial affairs of COSTECH. Nothing has come to the attention of the Board to indicate that COSTECH will not remain on going concern for at least the next twelve months from the date of this statement.



Prof. John W.A. Kondoro

Chairman of the Commission

Date: 20/03/2026

Controller and Auditor General



Dr. Amos M. Nungu

Director General

AR/PA/COSTECH/2024/25

4.0 DECLARATION OF THE FINANCE AND ACCOUNTS MANAGER

The National Board of Accountants and Auditors (NBAA), according to the power conferred under the Auditors and Accountants' (Registration) Act. No 33 of 1972, as amended by Act no 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of professional Accountant to assist the Board of Commissioners to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the board of commissioners as under Directors' Responsibility statement.

I, Daudi Mabula, being the Finance and Accounts Manager of Tanzania Commission for Science and Technology (COSTECH), hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended 30 June 2025 have been prepared in compliance with International Public Sector Accounting Standards and Statutory Requirements.

I thus confirm that the Financial Statements give a true and fair view position of the Commission as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

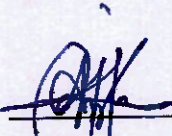
Name: DAUDI MABULA

Signature: 
Position: FINANCE AND ACCOUNT MANAGER
NBAA Membership No: ACPA 2233
Date: _____

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	NOTE	30 June 2025 TZS'000'	30 June 2024 TZS'000'
ASSETS			
Current Assets			
Cash and Bank balances	2	10,376,754	8,092,655
Trade and Other Receivables	3	243,326	130,179
Inventories	4	24,786	16,778
Land held for sale	5(b)	<u>214,620</u>	<u>-</u>
Total Current Assets		<u>10,859,486</u>	<u>8,239,612</u>
Non-Current Assets			
Property, Plant and Equipment	5(a)	6,352,493	6,915,137
Advance for Technology Park formation	6	<u>2,459,007</u>	<u>2,459,007</u>
Total Non-Current Assets		<u>8,811,500</u>	<u>9,374,144</u>
TOTAL ASSETS		<u>19,670,986</u>	<u>17,613,756</u>
LIABILITIES			
Current Liabilities			
Deferred Capital Grant	7	524,941	320,278
Deferred Revenue Grants	8	6,930,668	7,179,017
Trade and other payables	9	<u>2,917,780</u>	<u>481,914</u>
Total Current Liabilities		<u>10,373,389</u>	<u>7,981,209</u>
NET ASSETS		<u>9,297,597</u>	<u>9,632,547</u>
EQUITY			
Capital Contributed by Government	10(a)	4,188,444	4,188,444
Accumulated Surplus		<u>5,109,153</u>	<u>5,444,103</u>
TOTAL EQUITY		<u>9,297,597</u>	<u>9,632,547</u>


Prof. John W.A. Kondoro
Chairman of the Commission


Dr. Amos M. Nungu
Director General

Date: 20/03/2026

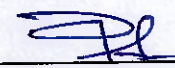
Controller and Auditor General

AR/PA/COSTECH/2024/25

5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

		2024/25	2023/24
REVENUE	NOTE	TZS'000'	TZS'000'
Revenue from non-exchange transactions:			
Government Subvention	11	6,515,388	5,138,017
Amortization of Capital Grant	12	60,824	31,780
Revenue for research and development	13	2,700,385	2,524,384
Revenue Grants	14(a)	<u>11,116,921</u>	<u>3,242,996</u>
Sub Total		20, 393,518	10,937,177
Revenue from Exchange transactions:			
Internally Generated Revenue	16	627,619	497,670
Other Operating Income	17	1,122,113	753,474
Gain (Loss) in Exchange	18	<u>234,927</u>	<u>309,780</u>
Sub Total		1,984,659	1,560,924
TOTAL REVENUE		<u>22,378,177</u>	<u>12,498,101</u>
OPERATING EXPENSES			
General Administrative Expenses	19	13,874,137	6,863,016
Research Coordination and Promotion	20	7,070,405	4,996,598
Technology Development and Transfer	21	766,957	519,422
Information and Documentation	22	397,462	410,631
Depreciation and amortization	5	<u>554,166</u>	<u>185,251</u>
TOTAL OPERATING EXPENSES		<u>22,663,127</u>	<u>12,974,918</u>
DEFICIT FOR THE YEAR		<u>-284,950</u>	<u>537,807</u>


Prof. John W.A. Kondoro
Chairman of the Commission


Dr. Amos M. Nungu
Director General

Date: 26/03/2026

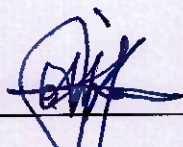
Controller and Auditor General

AR/PA/COSTECH/2024/25

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Capital Fund TZS'000'	Accumulated Surplus TZS'000'	Total TZS'000'
Balance as at 1 July 2024	4,188,444	5,444,103	9,632,547
Deficit for the year	-	-284,950	-284,950
Reduction (Note 11(b))	-	(50,000)	(50,000)
Balance at 30 June 2025	<u>4,188,444</u>	<u>5,109,153</u>	<u>9,297,597</u>

Balance as at 1 July 2023	4,188,444	6,041,910	10,230,354
Deficit for the year	-	(537,807)	(537,807)
Reduction (Note 11(b))	-	(60,000)	(60,000)
Balance at 30 June 2024	<u>4,188,444</u>	<u>5,444,103</u>	<u>9,632,547</u>


 Prof. John W.A. Kondoro
 Chairman of the Commission

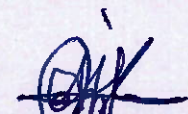

 Dr. Amos M. Nungu
 Director General

Date: 22/03/2026

5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

		2024/25 TZS'000'	2023/24 TZS'000'
	NOTE		
Cash flows from operating activities			
Personal Emoluments - (PE)	11(b)	4,929,030	4,780,179
Government subvention - Other charges	11(a)	1,560,000	342,903
Other deductions	11(c)	26,358	14,935
Revenue for research and development (NFAST)	13	2,700,385	2,524,384
Grants received	14 (b)	10,868,572	5,968,612
HERIN Fund - Internet	15(c)	751,560	676,180
Internally generated Income	16	627,619	497,670
Other operating income	17	370,553	171,413
Total receipts		21,834,077	14,804,863
Cash paid to suppliers and employees	24	-19,201,743	-14,481,411
Net Cash flows from operating activities		<u>2,632,334</u>	<u>323,452</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment's	5	<u>(297,267)</u>	<u>(283,358)</u>
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(297,267)	(283,358)
CASH FLOW FROM FINANCING ACTIVITIES			
Refund to Consolidated Fund	10(b)	<u>(50,000)</u>	<u>(60,000)</u>
NET CASH FLOW USED IN FINANCING ACTIVITIES		(50,000)	(60,000)
Net decrease in cash and cash equivalents		2,285,067	(19,906)
Cash and cash equivalents at the end of the period		<u>8,092,655</u>	<u>8,112,561</u>
Cash and cash equivalents at the end of period		<u>10,377,722</u>	<u>8,092,655</u>

The accompanying notes are an integral part of the financial statements.



Prof. John W.A. Kondoro
Chairman of the Commission



Dr. Amos M. Nungu
Director General

Date: 23/03/2026

5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

Description	Original Budget 2024/25	Final budget 2024/25	Actual amounts on a comparable basis	Variance amount	Variance in Percentage	Explanation of variances
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	%	NOTE
A: RECEIPTS						
Personal Emoluments - (PE)	4,407,731	4,407,731	4,929,030	521,299	-12%	26(a)
Government Subvention - OC	1,800,000	1,800,000	1,560,000	240,000	13%	26(b)
Own source	1,979,983	1,979,983	1,749,733	230,250	12%	26(c)
NFAST Revenue	3,400,385	3,400,385	2,700,385	700,000	21%	26(d)
Grants	<u>24,299,251</u>	<u>24,299,251</u>	<u>10,868,572</u>	<u>13,430,679</u>	55%	26(f)
Total receipts	<u>35,887,350</u>	<u>35,887,350</u>	<u>21,807,720</u>	<u>14,079,630</u>	41%	26(a)
Staff salaries - (PE)	4,407,731	4,407,731	4,929,030	521,299	-12%	26(g)
General Administration Expenses	3,779,983	3,779,983	3,481,227	298,756	8%	
NFAST Research Expenditure	3,400,385	3,400,385	2,628,830	771,555	23%	26(h)
Grants	<u>24,299,251</u>	<u>24,299,251</u>	<u>11,029,164</u>	<u>13,270,087</u>	55%	26(j)
Total payments	<u>35,887,350</u>	<u>35,887,350</u>	<u>22,068,251</u>	<u>13,047,544</u>	41%	

Prof. John W.A. Kondoro
Chairman of the Commission

Dr. Amos M. Nungu
Director General

Date: 20/03/2026